

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Administrative

Act 445 [La. R.S. 47:1675(A)(6)] requires that all tax credits against income and corporation franchise tax that have an annual cap or total program cap be issued on a first come first serve basis, unless the statute creating the credit provides otherwise. All credit requests received on the same day will be treated as received at the same time. If the credit requests received on a single business day exceed the credit cap, the credits will be issued on a pro rata basis. Effective July 8, 2009.

Act 493 [La. R.S. 47:1512] authorizes the secretary to pay private counsel reasonable attorney fees and reasonable expenses, not to exceed 10 percent of the taxes, penalties and interest at issue, out of current collections of the particular tax at issue. Also changes present law to require a taxpayer to pay an additional charge for attorney fees in the amount of 10 percent of the taxes, penalties and interest due, when the tax liability is referred to an outside attorney for collection of a delinquent account after the assessment has become final. Effective July 10, 2009.

Act 519 enacts the Louisiana Tax Delinquency Amnesty Act of 2009. The amnesty program shall be effective for a period not to exceed two consecutive calendar months between July 1, 2009, and June 30, 2010, at the discretion of the secretary. The tax amnesty program shall apply to all taxes administered by the department except for motor fuel taxes and penalties for failure to submit information reports that are not based on an underpayment of tax. The Secretary has designated September 1 through October 31 as the amnesty period. The 2009 Louisiana Tax Amnesty Program applies to resident and non-resident individuals, and in-state and multi-state businesses. Amnesty will be granted only for eligible taxes to eligible taxpayers who apply for amnesty during the amnesty period and who pay all of the tax, all fees and costs, if applicable, and half of the interest due upon filing the amnesty application. Effective July 10, 2009.

Alcohol and Tobacco Control

Act 162 [La. R.S. 26:901(10) through (17) and 910.1] prohibits the sale or delivery of tobacco products through self-service displays other than qualified vending machines. Effective August 15, 2009.

Act 233 [La. R.S. 26:73, 272, and 583(C)] provides legislative intent by redefining “restaurant establishment” as an establishment that:

- (a) Operates a place of business whose average monthly revenue from food and nonalcoholic beverages shall exceed 50 percent of its total average monthly revenue from the sale of food, nonalcoholic beverages, and alcoholic beverages.
- (b) Serves food on all days of operation.
- (c) Maintains separate sales figures for alcoholic beverages.
- (d) Operates a fully equipped kitchen used for the preparation of uncooked foods for service and consumption of such foods on the premises.
- (e) Has a public habitable floor area of no less than 500 square feet.

In addition, a business's trade name shall not disqualify such business as a restaurant establishment provided the business meets the qualifications set forth in the law, as amended. Effective August 15, 2009.

Income and Corporation Franchise Taxes

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Act 172 [La. R.S. 47:6033(B)(4)] repeals the requirement that the Louisiana Workforce Commission must provide the Department of Revenue with an annual list of businesses that participate in the registered apprenticeship program, as well as, the number of eligible employees that each employer has employed for the taxable year. The Workforce Development Commission provides periodic lists to the Department of Revenue throughout the year that contains this information. Effective August 15, 2009.

Act 406 [La. R.S. 47:120.33] enacts an income tax checkoff for donations to the National Lung Cancer Partnership. Effective August 15, 2009.

Act 444 [La. R.S. 47:6019 (A)(3)(b)(i)(aa)] amends the credit for rehabilitation of historic structures so that the credit can be transferred an unlimited number of times. The Act provides that the credits can be transferred to one or more individuals or entities, including, but not limited to, non corporate entities such as partnerships and Limited Liability Companies. Effective July 8, 2009.

Act 447 [La. R.S. 51:2399.1 through 2399.6] creates a refundable credit against any income tax or corporation franchise tax at the rate of 5 percent of the qualified expenditures incurred by certain employers for modernization. The amount of the credit must be approved by the Louisiana Department of Economic Development. "Modernization" means capitalized investment by an employer in technology, machinery, building and/or equipment that meets one of the following provisions:

- (a) An increase in the increase of maximum capacity or efficiency of the facility of greater than 10 percent. The modernization must result in the facility adopting "best practices" technology for its industry and the company shall establish that without the investment that the facility would be a high risk for closure in the foreseeable future. Modernization does not include the replacing of existing technology with the same or similar technology.
- (b) An approved investment from a company with multi-state operations with an established competitive capital project program.

Effective August 15, 2009.

Act 448 [La. R.S. 47:6034(B)(4)* and (C)(1)(f)*] amends the musical and theatrical production credit to allow a refundable tax credit for calendar years 2009 and 2010 to non-profit community theaters equal to 10% of the base investment greater than \$25,000 but less than \$300,000 in a limited state-certified production. The total amount of limited state-certified musical and theatrical production credits that can be earned for calendar years 2009 and 2010 is \$250,000 each year. Effective July 8, 2009.

Note: The Louisiana Law Institute has indicated that the provisions of Act 448 and Act 465 will be merged.

Act 449 [La. R.S. 51:1927.1(C)] amends provisions of the Louisiana Capital Companies Tax Credit Program to provide for the placement of the investment pool, except tax distributions and management fees, in qualified investments. For all certified capital pools formed after December 31, 2001, if a certified Louisiana capital company does not place the required percentage of the pool in qualified investments within the period set forth, then following a decertification pursuant to R.S. 51:1928(B)(3), the company shall remit to the Louisiana Economic Development Fund 25 percent of all distributions, other than tax distributions and management fees, until the Fund has received 100 percent of the tax credits granted to the investment pool, and thereafter the company shall remit 10 percent of all distributions, except tax distributions and management fees, to the Fund. If the investment pool is not decertified within 10 years from the investment date, the certified Louisiana capital company shall remit to the Louisiana Economic Development Fund 50 percent of all distributions until the Fund has received 100 percent of the tax credits granted for the pool, and thereafter the company shall remit 20 percent of all distributions to the Fund. Effective July 8, 2009.

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Act 451 [La. R.S. 47:297.10(A), 297.11, and 297.12] allows a deduction for elementary and secondary school tuition, educational expenses for home schooled children, and fees and other educational expenses for a quality public education. The deduction shall be equal to 50 percent of the actual amount of the expenses paid, but no more than \$5,000 per child may be allowed to one or more taxpayers if the child qualifies as a dependent on the taxpayer's Louisiana income tax return for either the taxable year or the prior taxable year. The Act also clarifies that qualified educational expenses must be paid, not incurred, by the taxpayer. Effective July 8, 2009 for amounts paid on or after January 1, 2009.

Note: The Louisiana Law Institute has indicated that the provisions of Act 451 and Act 460 will be merged.

Act 454 [La. R.S. 47:6022] amends the digital interactive media tax credit so that the credits applied for on or after July 1, 2009, are no longer spread out over six years but instead are earned in at a rate of 25 percent of base investment with an additional 10 percent credit for the amount spent on payroll of Louisiana residents. The Act makes changes to several definitions, including base investment, and allows the credit against corporate franchise tax. Effective July 1, 2009.

Act 457 [La. R.S. 47:293(10)* and 293(9)(a)(xvii)] provides a deduction for net capital gains by resident and non-resident individuals limited to gains recognized and treated for federal income tax purposes as arising from the sale or exchange of an equity interest in or substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in this state. Effective August 15, 2009 for all taxable periods beginning on or after January 1, 2010.

Act 460 [La. R.S. 47:293(9)(a)(xvi), 297.10(A), 297.11, and 297.12(A) and (B)(1)] clarifies that the tax deduction for elementary and secondary school tuition, educational expenses for home schooled children, and fees and other educational expenses for a quality public education is available if the student qualifies as a dependent on the taxpayer's Louisiana income tax return. The Act also clarifies that qualified educational expenses must be paid, not incurred, by the taxpayer. The provisions of this Act are declared to be remedial, curative, and procedural and therefore are to be applied retroactively as well as prospectively. Effective July 8, 2009.

Note: The Louisiana Law Institute has indicated that the provisions of Act 451 and Act 460 will be merged.

Act 463 [La. R.S. 47:6016(B)(1)(c) and (E)] requires the Louisiana Department of Economic Development to certify an industry as a target industry within 30 days of receipt of a certification request. For qualified equity investments issued on or after April 1, 2008, and before December 1, 2009, the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S.47:6016(B)(1)(b), whether to one or more issuers of qualified equity investments, shall not exceed \$5 million. On December 1, 2009, access is allowed to \$12.5 million of credit allocation authority. The Department is required to respond to all applications for credit within 60 days unless there is a delay caused by the taxpayer. Effective July 8, 2009.

Act 465 [La. R.S. 47:6034] creates five credits against any state income tax that must be verified by the Department of Economic Development, authorized an application fee and the purposes for which the fee may be used. Effective July 8, 2009.

Note: The Louisiana Law Institute has indicated that the provisions of Act 465 and Act 448 will be merged.

Act 467 [La. R.S. 47:6030(A) and (B)(2)] expands the wind or solar energy systems tax credit to taxpayers who do not own the structures into which the wind or solar energy systems are installed. The Act also clarifies that only one tax credit will be available for each eligible system. Effective July 8, 2009 for taxable periods beginning on or after January 1, 2009.

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Act 469 [La. R.S. 47:6035*] repeals La. 47:38 and La. 47:287.757 relative to tax credits for conversion of vehicles to alternative fuel usage, and provides an incentive to persons or corporations to invest in qualified clean burning motor vehicle fuel property. This refundable tax credit is equal to 50 percent of the cost of the qualified clean burning motor vehicle fuel property and is allowed for the taxable period in which the property is purchased and installed. If the taxpayer is unable to or elects not to determine the exact cost attributable to the property, the taxpayer may claim a credit equal to 10 percent of the cost of the motor vehicle or \$3,000, whichever is less, provided the motor vehicle is registered in Louisiana. This Act also repeals La. R.S. 51:2458(2) to prohibit the simultaneous use of Quality Jobs credits. Effective July 9, 2009 for amounts paid by the taxpayer on or after January 1, 2009.

Act 474 [La. R.S. 44:4.1(B)(29) and La. R.S. 47:6036*] establishes the Ports of Louisiana Tax Credits. The Act creates two credits: (1) the Investor Tax Credit and (2) the Import Export Cargo Credit. Applications for certification must be submitted to the Louisiana Department of Economic Development (LED). Effective August 15, 2009 for taxable periods on or after January 1, 2009.

The Investor Tax Credit is a credit against any state income tax and corporation franchise tax equal to 5 percent per year of the capital cost of a qualifying port project; however, total credits granted cannot exceed the total cost of the project. Any unused credit may be carried forward 10 years. The Investor Tax Credit expires January 1, 2015.

The Import Export Cargo Credit is a tax credit against individual income tax, corporation income tax and corporation franchise tax. Only taxpayers receiving certification from the secretary of LED for the taxable year or years for the amount certified by the commissioner of administration that there will be sufficient revenue received by the state to offset the effect to the state of the tax credits, and approved by the Joint Legislative Committee on Budget and the state bond commission, are eligible to take the credit. Eligible taxpayers include those international business entities which provide to LED a verified statement of cargo volume data in Louisiana for the calendar year prior to the year of the application for the credit. The credit amounts to 5 dollars times the amount of qualified cargo certified by LED.

Act 475 [La. R.S. 6023] extends the expiration date of the sound recording credits from January 1, 2010 to January 1, 2015, and changes how the sound recording credits are claimed. The Louisiana Department of Economic Development must submit a tax credit certification letter to the Department of Revenue on behalf of the investor who earned the sound recording tax credits. The credits will be paid by the Department of Revenue directly to the taxpayer without the taxpayer having to claim the credit on a tax return. In addition, the Act establishes that the percentage of credit allowed will be 25 percent of the base investment made in excess of \$15,000. Effective August 15, 2009.

Act 476 [La. R.S. 47:601(A) and 611] eliminates the \$10 minimum corporation franchise tax for all existing corporations. The Act changes the minimum tax of \$10 to a \$10 initial tax, requiring every newly taxable corporation to pay only the initial tax of \$10 in the first accounting period or fraction thereof in which it becomes subject to the tax. Effective August 15, 2009 for all taxable periods beginning on or after January 1, 2010.

Act 477 [La. R.S. 47:6015 and Section 2 of Act 9 of the 2002 First Extraordinary Session] extends the expiration date for the research and development credit to December 31, 2013, and makes it a refundable credit instead of a nonrefundable, transferable credit. The Act additionally changes the number of Louisiana employees necessary to qualify for the different percentages of credit allowed under the statute. Effective July 9, 2009.

Act 478 [La. R.S. 47:6007 and La. R.S. 22:832] increases the percentage of credit for base investments in production projects to 30% from the current 25 percent but reduces the percentage of additional credit allowed

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

for employment of LA residents from 10 percent to 5 percent. Additionally, this Act amends the definitions of several terms, repeals the infrastructure credits for motion pictures, and makes other minor changes. The Act allows taxpayers whose projects receive initial certification on or after July 1, 2009, to transfer the credits to the Office of Film and Television at LED for 85 percent of the face value of the credits. Lastly, the Act makes clarifying changes to the insurance premiums credit in Title 22 of the Louisiana Revised Statutes. Effective July 9, 2009.

Act 520 [La. R.S. 47:6037*] creates a tax credit for expenditures or investments by a company that are expended on construction, repair or renovation of a state certified green project. No more than \$5 million in credits may be granted each year. The credits are granted on a first come first served basis, and are allowed as follows: \$100,000 to \$300,000 dollars – 10 percent credit; \$300,000 to \$1 million – 20 percent credit; over \$1 million – 25 percent credit. Applications for certification are to be submitted to the Louisiana Department of Economic Development. The provisions of the Act shall become effective if, and when the Department of Natural Resources receives a letter of award from the United States Department of Energy evidencing the obligation of funding in the amount of at least \$5 million per year, for a minimum of three years. Effective August 15, 2009.

Act 530 [La. R.S. 47:6007 (C)(2)(c)(iv)] clarifies the provision which explains the meeting or exceeding the 50% expenditure requirement for motion picture infrastructure projects. The Act states that the transactions that qualify as expenditures for these purposes include, but are not limited to, arms-length transactions in which the obligation is secured by the subject and the maturity date for such obligation occurs after December 31, 2009. Effective July 10, 2009.

Note: Because subparagraph iv of La. R.S. 47:6007(C)(2) was repealed by Act 478, the provisions of Act 530 have no material affect.

Inheritance Tax

Act 81 [La. C.C.P. Articles 3421, 3431, 3432, and 3434] amends the Code of Civil Procedure to redefine small successions. Beginning January 1, 2010, a small succession will have a gross value of \$75,000 or less, including small succession immovable property. Small succession immovable property is defined as either immovable property, comprised of a single lot or contiguous lots, which had its primary use as a residence of the deceased or surviving spouse, or any cemetery spaces. Act 81 also eliminates the signing of affidavits of small succession by the Department of Revenue. Effective June 18, 2009.

Sales Tax

Act 52 [La. R.S. 34:851.2(3) and 851.19] removes certain commercial fishing boats from the definition of “motorboat” thereby eliminating the requirement that these vessels apply for numbering with the Louisiana Department of Wildlife and Fisheries, which requires verification that sales tax has been paid. Effective August 15, 2009.

Act 206 [La. R.S. 47:301(7)(f), (10)(q), and (18)(e)] removes the June 30, 2009, expiration for the sales tax exemption for educational materials or equipment purchased by private and parochial schools. Effective June 30, 2009.

Act 442 [La. R.S. 47:303(D)(1), 305(D)(1)(i) and (H), 337.9(D)(25), 301(16)(q), 305.50(F), and 321(H)(3)] effective July 1, 2009, adds, creates and defines three specific sales tax exemptions as follows:

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

1. Adds new boats, vessels, and other water craft to the sales tax exemption for demonstrators. To qualify for the exemption, the boat, vessel, or watercraft must be registered in the dealer's name and must not be used on more than 6 consecutive days or more than 12 days in any calendar month.
2. Creates a sales tax exemption for railroad ties purchased by a railroad prior to long-term preservative treatment and installed into the railroad's track system outside the jurisdiction of the respective taxing jurisdiction.
3. Defines the term tangible personal property to not include any property that would have been considered immovable prior to the enactment of Act 632 of the 2008 Regular Session of the Legislature. Establishes a collaborative working group of state and local tax administrators and industry representatives for the purpose of assisting in developing policy regarding the determination of which items should be considered as movable or immovable for purposes of state and local sales and use tax.

Act 443 [La. R.S. 47:301(10)(ff) and 47:305.51] creates an exclusion for the sale of tangible personal property by the Military Department, state of Louisiana, which occur on an installation or other property owned or operated by the Military Department. The Act also updates the terminology used in the sales tax exemption for utilities purchased by steelworks and blast furnaces. The revisions replaced the outdated Standard Industrial Classification Code referenced in the statute with the corresponding North American Industry Classification System Code, and added references to coke ovens and rolling mills in addition to steelworks and blast furnaces. Effective July 1, 2009.

Act 446 [La. R.S. 47:305.20(A), (C), 56:303(E)(1), and 304(A)] revises the sales tax exemption for commercial fisherman to require a commercial fishing vessel license previously not required for commercial fishing in freshwater areas of the state, in order to qualify for the exemption from state sales, use, lease, and services taxes. Effective with all new licenses issued on or after July 1, 2009.

Act 450 [La. R.S. 47:301(10)(gg)*, (18)(p), and 47:633.4(B)(2)] creates an exclusion from sales and use tax for anthropogenic carbon dioxide used in qualified tertiary recovery projects approved by the Department of Natural Resources. Beginning July 1, 2010, the Act provides for a 50 percent reduction in severance tax on production within a carbon dioxide tertiary recovery project that is permitted on or after July 1, 2009. Effective July 1, 2009.

Act 453 [La. R.S. 47:305.62] creates a three day sales tax holiday on consumer purchases of firearms, ammunition and hunting supplies for the first consecutive Friday through Sunday of September. The sales tax holiday is applicable to both state and local sales tax. Effective July 9, 2009.

Act 455 [La. R.S. 47: 305(A)(5) and R.S. 47:302(T), 321(J), and 331(R)] creates a state sales tax exemption for bait and feed used in the production or harvesting of crawfish. Effective July 1, 2009.

Act 456 [La. R.S. 47:301(6)(c)] removes certain homeless shelters from the definition of hotel, thereby creating an exclusion from state and local sales tax on lodging charges at these facilities. Qualifying facilities must be operated by a nonprofit organization exempt under Section 501(C)(3) of the Internal Revenue Code and devoted exclusively to temporary housing of homeless transient persons, for periods no longer than 30 days duration. Lodging charges can be no greater than \$20.00 per day. Effective July 1, 2009.

Act 458 [La. R.S. 47:305(D)(1)(n)] clarifies that food sold for preparation and consumption in the home is exempt from state sales tax, regardless of the quantity or size of the package. The Act is effective if and when the proposed amendment of Article VII, § 2.2(B)(1) of the Constitution of La. contained in House Bill No. 317 of the 2009 Regular Session of the Legislature is adopted at the statewide election to be held on November 2, 2010.

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Note: Since HB 317 failed to pass, the provisions of Act 458 should not become effective.

Act 459 [La. R.S. 47:301(16)(m)(i) and (ii) and 337.10(I)] clarifies that a glass container manufacturer with a NAICS code of 327213 is eligible for the manufacturing machinery and equipment exemption from state sales tax. The Act also allows local taxing authorities to provide a similar exemption effective either upon adoption or enactment or phased in over a period of time, or effective for a certain period of time or duration. /Effective July 1, 2009.

Act 461 [La. R.S. 47:305.63* and 321(H)(4)] creates a state sales tax exemption for polyroll tubing used for commercial farm irrigation. Effective July 8, 2009.

Act 462 [La. R.S. 47:305.64*, 321(H)(5) and 337.9(D)(30)] creates a state sales tax exemption for the purchase, lease or repair of capital equipment or software used to operate capital equipment at qualifying radiation therapy centers. Facilities currently affected by this proposal include Mary Bird Perkins Cancer Center and the Biomedical Research Foundation. Local taxing authorities may elect to grant this exemption. Effective July 1, 2009.

Act 464 [La. R.S. 39:467(A)(1) and R.S. 47:305.14(A)(1), 305.25(A), and 305.59 and 305.65*], effective July 1, 2009, expands and creates certain exemptions as follows:

1. Provides a state exemption for sales by the Cajundome or adjacent and connected facilities. The exemption includes the sale of food, drink, merchandise, services of any kind, admission tickets to events, activities, or enterprises, wherever sold, parking, and tours of the facility. Although the exemption provides for a state sales tax exemption, the enabling legislation amends R.S. 39:467, which applies to local taxes under the Uniform Local Sales Tax Code.
2. Specifically enumerates that fees paid for guest speakers, chair and table rentals, and food and beverage utility related items are includable as necessary expenses for qualifying nonprofit enterprises authorized to engage in nontaxable events and fundraisers.
3. Revises the state sales tax exemption on the first \$50,000 of certain farm equipment to require the use of an exemption certificate certifying the purchaser is a farmer or is purchasing for an agricultural facility. Purchasers will be held responsible for any taxes due.
4. Expands the state and local sales tax exemption for Habitat for Humanity affiliates on their purchases of construction materials intended for use in constructing new residential dwellings to also include purchases of materials made by the Fuller Center for Housing covenant partners.
5. Creates a state and local sales tax exemption on construction materials purchased by Hands on New Orleans and Rebuilding Together New Orleans covenant partners for constructing, rehabilitating, or renovating residential dwellings in this state which were destroyed or damaged by Hurricane Katrina or Hurricane Rita. The exemption is limited to no more than \$500,000 in any calendar year.

Act 466 [La. R.S. 47:301(3)(k)] creates a phased-in state sales tax exemption for tangible personal property consumed in the manufacturing process such as fuses, belts, wires, conveyer belts, lubricants, and motor oils and repairs and maintenance of manufacturing machinery and equipment. The exemption is available to manufacturers with an industry group designation of 3211 through 3222 or 11310 pursuant to the North American Industry Classification Code. These designations consist primarily of paper and wood manufacturers and loggers. The exemption will be phased-in at 25 percent of the cost price beginning July 1, 2010, and continue in 25 percent increments until it becomes 100 percent of the cost price July 1, 2013. Effective August 15, 2009.

2009 Regular Legislative Session
Department of Revenue Legislative Summaries

Act 473 [La. R.S. 47:305(D)(2), and R.S. 47:302(R)(3), 321(H)(6), and 331(P)(4)] provides a retroactive state sales tax exemption for certain meals provided by educational institutions, hospitals, mental institutions, and rooming houses. The retroactive treatment of the exemption goes back to January 1, 1998; however, correctly computed taxes not paid under protest shall not be refunded. Effective July 9, 2009.

Act 500 [La. R.S. 47:301(16)(g)] excludes 54 percent of the sales price of factory built homes from the definition of tangible personal property for sales tax purposes effective July 1, 2009, thereby giving modular homes the same tax treatment previously available to manufactured homes. This exemption is to be applied retroactively, but correctly computed taxes not paid under protest are not refundable. Beginning January 1, 2010, the legislation also eliminates the ability of manufactured home purchasers to avoid paying taxes on new home purchases through an act of immobilization.

Severance Tax

Act 450 [La. R.S. 633.4(B)(2)] [La. R.S. 47:301(10)(ff), (18)(p), and 47:633.4(B)(2)] provides for a 50 percent reduction in severance tax, beginning July 1, 2010, on production within a carbon dioxide tertiary recovery project that is permitted on or after July 1, 2009. The Act also creates an exclusion from sales and use tax for anthropogenic carbon dioxide used in qualified tertiary recovery projects approved by the Department of Natural Resources. Effective July 1, 2009.

Act 468 [La. R.S. 47:1515.3(A), (B), and (C)] allows the Department of Revenue and the Department of Agriculture and Forestry to enter into a cooperative agreement for collection of timber severance taxes. Effective August 15, 2009.

Act 541 [Article VII, Section 4(D)(4) of the Constitution of Louisiana] proposes a constitutional amendment to increase the maximum amount of severance tax to be remitted to parishes where severance or production occurs. The Act is dependant upon a statewide election to be held on November 2, 2010. The proposal would increase the maximum tax remitted to a parish to \$1.85 million in the first year of implementation and \$2.85 million for all subsequent years, with an annual adjustment in accordance with the consumer price index. The proposal would also set up the Atchafalaya Basin Conservation Fund which would receive revenues equal to 50 percent of severance taxes and royalties on state lands in the Atchafalaya Basin, up to \$10 million each fiscal year. If approved, the amendment will be effective April 1, 2012.

Tax Incremental Financing Districts

Act 260 [La. R.S. 33:9038.63] creates the Bluebonnet Convention Hotel Taxing District as a tax increment financing district in East Baton Rouge Parish. The Act provides for the boundaries, purpose, and governance of the district and provides authorization to levy and collect a tax within the district upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities, and a tax upon the sales of food and beverage not intended for home consumption. The taxes levied and collected by the district will supersede and be in lieu of other taxes on hotel occupancy or sales within the district. Effective July 1, 2009.

Act 526 [La. R.S. 33:4720.181] creates the New Iberia Redevelopment Authority in the city of New Iberia. The Act provides for the boundaries, purpose and powers of the district and grants the district the authority to create subdistricts and implement tax increment financing under certain conditions. Effective July 10, 2009.

Wireless

Act 531 [La. R.S. 33:9109.1] imposes a 2 percent charge on prepaid wireless telecommunications. The proceeds will be distributed to 911 service districts based upon population. Effective January 1, 2010.